

ILLINOIS GAS COMPANY

ILL. C.C. DOCKET NO. 02-0720

TWENTY-FIFTH ANNUAL RECONCILIATION OF PGA
GAS REVENUE WITH RELATED COST OF GAS

TWELVE MONTHS ENDED DECEMBER 31, 2002

RESPONDENT'S EXHIBIT 3

ILLINOIS GAS COMPANY

ILL. C.C. DOCKET NO. 02-0720

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INDEPENDENT AUDITOR'S REPORT

Illinois Gas Company
Lawrenceville, Illinois

We have audited the accompanying statements 1 through 9 described in the preceding table of contents of Illinois Gas Company for the year ended December 31, 2002. These statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statements were prepared to present the reconciliation of revenue billed under uniform PGA charges with the adjusted cost of gas incurred of Illinois Gas Company pursuant to the Illinois Commerce Commission's Order 02-0720 dated November 7, 2002 and General Order 212, and is not intended to be a complete presentation of the Company's income and expenses.

In our opinion, the statements referred to above present fairly, in all material respects, the reconciliation of revenue billed under uniform PGA charges with the adjusted cost of gas incurred of Illinois Gas Company for the year ended December 31, 2002, in conformity with U. S. generally accepted accounting principles and the Illinois Commerce Commission's Order 02-0720 dated November 7, 2002 and General Order 212.

This report is intended solely for the information and use of the Board of Directors and Management of Illinois Gas Company and for filing with the Illinois Commerce Commission and should not be used for any other purpose.

Kemper CPA Group LLP

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

Lawrenceville, Illinois
March 11, 2003

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ILLINOIS GAS COMPANY

ILL. C.C. DOCKET NO. 02-0720

STATEMENT 1

RECONCILIATION OF REVENUE BILLED UNDER UNIFORM PGA CHARGES WITH THE ADJUSTED COST OF GAS INCURRED FOR THE RECONCILIATION PERIOD ENDED DECEMBER 31, 2002

Line No. (1)	Description (2)	Winter Seasonal Demand (3)	Summer Seasonal Demand (4)	Commodity (5)	Total (6)
1	Unamortized Balance as of 12/31/01 per 2001 Reconciliation	\$0	\$0	\$0	\$0
2	Factor A Adjustments Amortized to Schedule I at 12/31/01 per 01 Reconciliation	130,253	(11,407)	144,205	263,051
3	Factor O Collected (Refunded) During 2002	0	0	26,988	26,988
4	Balance to Be Collected(Refunded) From Prior Periods, (Sum of lines 1-3)	130,253	(11,407)	171,193	290,039
5	2002 Recoverable Costs	930,106	497,055	4,961,610	6,388,771
6	2002 PGA Revenue	(1,111,085)	(457,825)	(5,243,140)	(6,812,050)
7	Pipeline Surcharges (Refunds)	(46,476)	(10,925)	(10,785)	(68,186)
8	Other Adjustments	0	0	1,529	1,529
9	Interest	(74)	0	(146)	(220)
10	2002 Recovery Under/(Over) (Sum of lines 5-9)	<u>(227,529)</u>	<u>28,305</u>	<u>(290,932)</u>	<u>(490,156)</u>
11	Balance Recovery Under/(Over) at 12/31/2002 (Line 4 + Line 10)	(97,276)	16,898	(119,739)	(200,117)
12	Factor A Adjustments Amortized to Schedule I at 12/31/2002	(97,276)	16,898	(119,739)	(200,117)
13	Unamortized Balance at Dec 31, 2002 (per Filing truing up actuals for Dec 2002)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
14	Requested Factor O Line 11 - Line 12 - Line 13	0	0	0	0

ILLINOIS GAS COMPANY
ILL. C.C. DOCKET NO. 02-0720

STATEMENT 2

WINTER/D INVOICE COST AND ADJUSTMENTS VERSUS RECOVERY OF COSTS FOR SYSTEM GAS, CALENDAR YEAR 2002

Month (1)	Vendor (2)	Winter Invoice Cost (4)	Commodity Volume MMBtu (5)	Avg Cost Therm (6)	Co Use & Franchise Therm (7)	Co Use & Franchise Cost (8)	Recoverable Cost (9)	Winter Therm (10)	Winter Pga Rate (11)	Prorated Recovery (12)	Rider A FT Revenue (13)	Monthly PGA & Rider A Recovery (14)	Under (Over) Recovery (15)	Adjustment Factor O (16)	Adjustments Factor A (17)	Adjusted Under (Over) Recovery (18)
Jan	(A) Texas Gas	\$197,290	216,234	\$0.0912	(8,987)	(\$820)	\$196,470	675,637	\$0.0655	\$44,254.22		\$133,013	\$63,457	\$0	(\$1,170)	\$62,287
Feb	(B) (A) Texas Gas	178,195	194,859	0.0914	(8,608)	(787)	177,408	1,302,977 605,835	0.0655 0.1107	85,344.99 67,065.93	\$3,414	191,450	(14,042)	0	68,647	54,605
Mar	(B) (A) Texas Gas	197,116	184,549	0.1068	(7,286)	(778)	186,338	1,095,765 558,522	0.1107 0.1701	121,301.19 95,004.59	3,083	273,994	(77,656)	0	62,776	(14,880)
April	(B) (A) Texas Gas	0	78,826	0.0000	(2,362)	0	0	1,032,189 329,316	0.1701 0.0979	175,575.35 32,240.04	3,414	72,889	(72,889)	0	62,287	(10,602)
May	(B) (A) Texas Gas	0	55,403	0.0000	(1,085)	0	0	415,214 149,825	0.0979 0.1766	40,649.45 26,459.10	0	73,629	(73,629)	0	54,605	(19,024)
June	(B) (A) Texas Gas	0	35,659	0.0000	(334)	0	0	267,102 115,363	0.1766 0.0312	47,170.21 3,599.33	0	7,939	(7,939)	0	(14,880)	(22,819)
July	(B) (A) Texas Gas	0	35,325	0.0000	(339)	0	0	139,083 66,285	0.0312 0.0378	4,339.39 2,505.57	0	7,964	(7,964)	0	(10,602)	(18,566)
Aug	(B) (A) Texas Gas	0	27,501	0.0000	(365)	0	0	144,414 66,028	0.0378 (0.0001)	5,458.85 (6.60)	0	(21)	21	0	(19,024)	(19,003)
Sep	(B) (A) Texas Gas	0	33,081	0.0000	(336)	0	0	143,391 71,368	(0.0001) 0.0173	(14.34) 1,234.67	0	4,452	(4,452)	0	(11,260)	(15,712)
Oct	(B) (A) Texas Gas	0	93,868	0.0000	(2,325)	0	0	185,986 110,042	0.0173 (0.0080)	3,217.56 (880.34)	0	(6,160)	8,160	0	(30,144)	(23,984)
Nov	(B) (A) Texas Gas	177,691	162,698	0.1092	(7,166)	(783)	176,908	659,971 381,876	(0.0080) 0.1428	(5,279.77) 54,531.89	0	212,501	(35,593)	0	(32,311)	(67,904)
Dec	(B) (A) Texas Gas	183,614	224,950	0.0816	(7,743)	(632)	182,982	1,084,929 637,991	0.1428 0.0678	154,927.86 43,255.79	3,041	139,435	43,547	0	(48,935)	(5,388)
Jan	(B)							1,368,596	0.0678	92,790.81	3,142	Excess Franchise Revenue 246	Sum of Jan, Feb, Mar ->			(97,276)
Total		\$933,906	1,342,953		(48,936)	(\$3,800)	\$930,106	11,607,705		\$1,094,745.74	\$16,094	\$1,111,085	(\$180,979)	\$0	\$79,989	(\$100,990)

NOTE A: This is the calculated volume of gas delivered on and after the first day of the month to which the current monthly PGA rate is applied.

B: This is the calculated volume of gas in current month's billing, applicable to the prior month's consumption and billed at the prior month's PGA rate.

ILLINOIS GAS COMPANY
ILL. C.C. DOCKET NO. 02-0720

STATEMENT 3

SUMMER/D INVOICE COST AND ADJUSTMENTS VERSUS RECOVERY OF COSTS FOR SYSTEM GAS, CALENDAR YEAR 2002

Month (1)	Vendor (2)	Summer Invoice Cost (4)	Commodity Volume MMBtu (5)	Avg Cost Therm (6)	Co Use & Franchise Therm (7)	Co Use & Franchise Cost (8)	Recoverable Cost (9)	Summer Therm (10)	Summer Pga Rate (11)	Prorated Recovery (12)	Rider A FT Revenue (13)	Monthly PGA & Rider A Recovery (14)	Under (Over) Recovery (15)	Adjustment Factor O (16)	Adjustments Factor A (17)	Adjusted Under (Over) Recovery (18)
Jan	(A) Texas Gas	\$0	216,234	\$0.0000	(8,987)	\$0	\$0	675,637	(\$0.0008)	(\$540.51)		(\$1,670)	\$1,670	\$0	(\$12,287)	(\$10,617)
	(B)							1,412,408	(0.0008)	(1,129.93)	\$0					
Feb	(A) Texas Gas	0	194,859	0.0000	(8,608)	0	0	605,835	0.0010	605.84		1,797	(1,797)	0	1,846	49
	(B)							1,190,794	0.0010	1,190.79	0					
Mar	(A) Texas Gas	0	184,549	0.0000	(7,286)	0	0	558,522	0.0050	2,792.61		8,456	(8,456)	0	(966)	(9,422)
	(B)							1,132,633	0.0050	5,663.17	0					
April	(A) Texas Gas	121,747	78,826	0.1545	(2,362)	(365)	121,382	329,316	0.1460	48,080.14		120,205	1,177	0	(10,617)	(9,440)
	(B)							471,373	0.1460	68,820.46	3,304					
May	(A) Texas Gas	49,504	55,403	0.0894	(1,085)	(97)	49,407	149,825	0.1105	16,555.66		55,477	(6,070)	0	49	(6,021)
	(B)							321,330	0.1105	35,506.97	3,414					
June	(A) Texas Gas	47,810	35,659	0.1341	(334)	(45)	47,765	115,363	0.1085	12,516.89		37,553	10,212	0	(9,422)	790
	(B)							200,044	0.1085	21,704.77	3,331					
July	(A) Texas Gas	49,404	35,325	0.1399	(339)	(47)	49,357	66,285	0.1154	7,649.29		35,086	14,271	0	(9,440)	4,831
	(B)							206,362	0.1154	23,814.17	3,623					
Aug	(A) Texas Gas	45,790	27,501	0.1665	(365)	(61)	45,729	66,028	0.1288	8,504.41		37,437	8,292	0	(6,021)	2,271
	(B)							199,998	0.1288	25,759.74	3,173					
Sep	(A) Texas Gas	44,313	33,081	0.1340	(336)	(45)	44,268	71,368	0.0947	6,758.55		33,196	11,072	0	790	11,862
	(B)							246,745	0.0947	23,366.75	3,071					
Oct	(A) Texas Gas	139,492	93,868	0.1486	(2,325)	(345)	139,147	110,042	0.1443	15,879.06		122,830	16,317	0	4,831	21,148
	(B)							719,180	0.1443	103,777.67	3,173					
Nov	(A) Texas Gas	0	162,698	0.0000	(7,166)	0	0	381,876	(0.0031)	(1,183.82)		(4,807)	4,807	0	(8,654)	(3,847)
	(B)							1,168,804	(0.0031)	(3,623.29)	0					
Dec	(A) Texas Gas	0	224,950	0.0000	(7,743)	0	0	637,991	0.0058	3,700.35		12,285	(12,265)	0	11,862	(403)
	(B)							1,474,943	0.0058	8,554.67	0					
Jan	(B)											Excess Franchise Revenue				
												10				
														Sum of Jan, Feb, Mar-->		16,898
Total		\$498,060	1,342,953		(46,936)	(\$1,005)	\$497,055	12,512,702		\$434,724.41	\$23,089	\$457,825	\$39,230	\$0	(\$38,029)	\$1,201

NOTE A: This is the calculated volume of gas delivered on and after the first day of the month to which the current monthly PGA rate is applied.

B: This is the calculated volume of gas in current month's billing, applicable to the prior month's consumption and billed at the prior month's PGA rate.

ILLINOIS GAS COMPANY
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STATEMENT 4

COMMODITY INVOICE COST AND ADJUSTMENTS VERSUS RECOVERY OF COSTS FOR SYSTEM GAS, CALENDAR YEAR 2002

Month (1)	Vendor (2)	Commodity Invoice Cost (4)	Commodity Volume MMBtu (5)	Avg Cost Therm (6)	Co Use & Franchise Therm (7)	Co Use & Franchise Cost (8)	Recoverable Cost (9)	Commodity Therm (10)	Commodity Pga Rate (11)	Prorated Recovery (12)	Rider A FT Revenue (13)	Monthly PGA & Rider A Recovery (14)	Under (Over) Recovery (15)	Adjustment Factor O (16)	Adjustments Factor A (17)	Adjusted Under (Over) Recovery (18)
Jan	(A) Texas Gas & SES	\$756,043	216,234	\$0.3496	(8,987)	(\$3,142)	\$752,901	675,637	\$0.4112	\$277,821.93		\$863,858	(\$110,957)	\$0	\$78,948	(\$32,009)
	(B)							1,412,408	0.4112	580,782.17	\$5,254					
Feb	(A) Texas Gas & SES	654,471	194,859	0.3359	(8,608)	(2,891)	651,580	605,835	0.4117	249,422.27		745,901	(94,321)	0	64,097	(30,224)
	(B)							1,190,794	0.4117	490,249.89	6,229					
Mar	(A) Texas Gas & SES	660,045	184,549	0.3577	(7,288)	(2,606)	657,439	558,522	0.3978	222,180.05		682,338	(24,899)	0	1,160	(23,739)
	(B)							1,132,633	0.3978	450,561.41	9,597					
April	(A) Texas Gas & SES	289,547	78,826	0.3673	(2,362)	(868)	288,679	329,316	0.3506	115,458.19		287,875	804	0	(32,009)	(31,205)
	(B)							471,373	0.3506	165,263.37	7,153					
May	(A) Texas Gas & SES	192,387	55,403	0.3473	(1,085)	(377)	192,010	149,825	0.3359	50,326.22		172,938	19,072	0	(30,224)	(11,152)
	(B)							321,330	0.3359	107,934.75	14,677					
June	(A) Texas Gas & SES	107,001	35,659	0.3001	(334)	(100)	106,901	115,363	0.4251	49,040.81		156,154	(49,253)	0	(23,739)	(72,992)
	(B)							200,044	0.4251	85,038.70	22,074					
July	(A) Texas Gas & SES	121,524	35,325	0.3440	(339)	(117)	121,407	66,285	0.3554	23,557.69		121,420	(13)	0	(31,205)	(31,218)
	(B)							206,362	0.3554	73,341.05	24,521					
Aug	(A) Texas Gas & SES	80,713	27,501	0.2935	(365)	(107)	80,606	66,028	0.3291	21,729.81		88,212	(7,606)	0	(11,152)	(18,758)
	(B)							199,998	0.3291	65,819.34	663					
Sep	(A) Texas Gas & SES	108,196	33,081	0.3271	(336)	(110)	108,086	71,368	0.3001	21,417.54		95,972	12,114	0	(24,183)	(12,069)
	(B)							246,745	0.3001	74,048.17	506					
Oct	(A) Texas Gas & SES	346,486	93,868	0.3691	(2,325)	(858)	345,628	110,042	0.3167	34,850.30		269,228	76,400	0	(40,847)	35,553
	(B)							719,180	0.3167	227,764.31	6,613					
Nov	(A) Texas Gas & SES	688,460	162,698	0.4232	(7,166)	(3,033)	685,427	381,876	0.4128	157,638.41		646,952	38,475	26,988	(68,869)	(3,406)
	(B)							1,168,804	0.4128	482,482.29	6,831					
Dec	(A) Texas Gas & SES	974,299	224,950	0.4331	(7,743)	(3,353)	970,946	637,991	0.5189	331,053.53		1,112,292	(141,346)	0	(12,069)	(153,415)
	(B)										Excess Franchise Revenue					
Jan	(B)							1,474,943	0.5189	765,347.92	14,607	1,284		Sum of Jan, Feb, Mar-->		(121,268)
Total		\$4,979,172	1,342,953		(46,936)	(\$17,562)	\$4,961,610	12,512,702		\$5,123,130.12	\$118,725	\$5,243,140	(\$281,530)	\$26,988	(\$130,092)	(\$384,634)

NOTE A: This is the calculated volume of gas delivered on and after the first day of the month to which the current monthly PGA rate is applied.
B: This is the calculated volume of gas in current month's billing, applicable to the prior month's consumption and billed at the prior month's PGA rate.

Rider A Firm Transportation Pga Revenue

Billing Month		Winter Reservation	Summer Reservation	Commodity Revenue	Transport Therms	Commodity Sales Therms	Cashout Purchase MMBtu	Cashout Purchase Cost
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Jan	(A)	\$0.00	\$0.00	\$0.00	0	0	0	\$0.00
	(B)	3,413.84	0.00	5,253.90	104,129	12,777	0	0.00
Feb	(A)	0.00	0.00	0.00	0	0	0	0.00
	(B)	3,083.47	0.00	6,229.02	105,974	15,130	0	0.00
Mar	(A)	0.00	0.00	0.00	0	0	0	0.00
	(B)	3,413.84	0.00	9,596.53	94,506	24,124	0	0.00
April	(A)	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	3,303.72	7,152.94	99,181	20,402	0	0.00
May	(A)	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	3,413.84	14,676.81	96,833	43,694	0	0.00
June	(A)	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	3,331.08	22,074.17	54,345	51,907	0	0.00
July	(A)	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	3,623.28	24,521.18	19,790	68,996	0	0.00
Aug	(A)	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	3,173.16	663.40	96,610	0	2,321	3,871.43
Sep	(A)	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	3,070.80	505.58	87,775	0	354	1,127.49
Oct	(A)	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	3,173.16	6,613.17	96,756	19,190	0	0.00
Nov	(A)	0.00	0.00	0.00	0	0	0	0.00
	(B)	3,040.80	0.00	6,830.60	91,219	16,547	0	0.00
Dec	(A)	0.00	0.00	0.00	0	0	0	0.00
Jan	(B)	3,142.16	0.00	14,607.04	97,355	28,150	0	0.00
Total		16,094.11	23,089.04	118,724.34	1,044,473	300,917	2,675	4,998.92

NOTE A: This is the calculated volume of gas delivered on and after the first day of the of the month to which the current monthly PGA rate is applied.

B: This is the calculated volume of gas in current month's billing, applicable to the prior month,s consumption and billed at the prior month,s PGA rate.

ILLINOIS GAS COMPANY
ILL. C.C. DOCKET NO. 02-0720

STATEMENT 6

Winter Seasonal Demand Gas Charge - (Company Version)

ANALYSIS OF SCHEDULE II COSTS/REVENUES FROM JANUARY 2002 - DECEMBER 2002

EFFECTIVE MONTH	2002 JANUARY 2001	2002 FEBRUARY 2001	2002 MARCH 2001	2002 APRIL 2002	2002 MAY 2002	2002 JUNE 2002	2002 JULY 2002	2002 AUGUST 2002	2002 SEPTEMBER 2002	2002 OCTOBER 2002	2002 NOVEMBER 2002	2001 DECEMBER 2002	2003 JANUARY 2002	2003 FEBRUARY 2002	2003 MARCH 2002	2002 TOTAL'S
Month for Which Actual Costs Are Determined	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	
Schedule II																
Line # Winter Demand																
1 Actual Recoverable Costs -----	0	189,921	196,774	196,470	177,408	196,338	0	0	0	0	0	0	0	176,908	182,982	930,106
2 Actual Purchased Gas Recoveries -----	(127)	120,999	123,964	133,013	191,450	273,994	72,889	73,629	7,939	7,964	(21)	4,452	(6,160)	212,501	139,435	(1,111,085)
3 Under/(Over) Recovery -----	127	68,922	72,810	63,457	(14,042)	(77,656)	(72,889)	(73,629)	(7,939)	(7,964)	21	(4,452)	6,160	(35,593)	43,547	(180,979)
4 Amount of Factor A Included in Gas Charge Calculation Prior Period (Schedule I) --	(1,297)	(275)	(10,034)	(1,170)	68,647	62,776	62,287	54,605	(14,880)	(10,602)	(19,024)	(11,260)	(30,144)	(32,311)	(48,935)	(48,935)
5 Amount of Factor O Included in Gas Charge Calculation (Schedule I) -----	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Adjusted Under/(Over) Recovery -----	(1,170)	68,647	62,776	62,287	54,605	(14,880)	(10,602)	(19,024)	(22,819)	(18,566)	(19,003)	(15,712)	(23,984)	(67,904)	(5,388)	(5,388)
7 Supplier Refunds/Surcharges	0	0	0	0	0	0	0	0	0	0	(46,476)	0	0	0	0	(46,476)
7.1 Other Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Unamortized Balance of Adjustment Factor Including Interest (Previous Filing Month Schedule II) -----	0	0	0	0	0	0	0	0	0	(11,578)	0	(33,223)	0	0	0	0
9 Total Adjustments Before Amortization --	(1,170)	68,647	62,776	62,287	54,605	(14,880)	(10,602)	(19,024)	(22,819)	(30,144)	(65,479)	(48,935)	(23,984)	(67,904)	(5,388)	(97,276)
10 Factor A Amount to Schedule I -----	(1,170)	68,647	62,776	62,287	54,605	(14,880)	(10,602)	(19,024)	(11,260)	(30,144)	(32,311)	(48,935)	(23,984)	(67,904)	(5,388)	(97,276)
11 Unamortized Balance of Factor A -----	0	0	0	0	0	0	0	0	(11,559)	0	(33,168)	0	0	0	0	0
12 Unamortized Balance of Factor O -----	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Total Unamortized Balances -----	0	0	0	0	0	0	0	0	(11,559)	0	(33,168)	0	0	0	0	0
14 Interest for 1 Month @ 2% Annual Rate --	0	0	0	0	0	0	0	0	(19)	0	(55)	0	0	0	0	(74)
15 Total Unamortized Balances including Interest -----	0	0	0	0	0	0	0	0	(11,578)	0	(33,223)	0	0	0	0	0
Winter																
16 Number of Days in Amort Schedule -----	0	0	0	0	0	0	0	0	61	0	61	0	0	0	0	Winter
17 Number of Days in Effective Month -----	31	28	31	30	31	30	31	31	30	31	30	31	31	30	31	
18 Line 9, Total Adj Before Amortization --	(1,170)	68,647	62,776	62,287	54,605	(14,880)	(10,602)	(19,024)	(22,819)	(30,144)	(65,479)	(48,935)	(23,984)	(67,904)	(5,388)	
19 Annual Interest Rate -----	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	1.50%	1.50%	1.50%	
20 Effective Month Principal -----	0	0	0	0	0	0	0	0	(11,222)	0	(32,203)	0	0	0	0	
21 Effective Month Interest -----	0	0	0	0	0	0	0	0	(38)	0	(108)	0	0	0	0	
22 Total to Line 10, Factor A -----	(1,170)	68,647	62,776	62,287	54,605	(14,880)	(10,602)	(19,024)	(11,260)	(30,144)	(32,311)	(48,935)	(23,984)	(67,904)	(5,388)	

ILLINOIS GAS COMPANY
ILL. C.C. DOCKET NO. 02-0720

STATEMENT 7

Summer Seasonal Demand Gas Charge – (Company Version)

ANALYSIS OF SCHEDULE II COSTS/REVENUES FROM JANUARY 2002 – DECEMBER 2002

EFFECTIVE MONTH	2002 JANUARY 2001	2002 FEBRUARY 2001	2002 MARCH 2001	2002 APRIL 2002	2002 MAY 2002	2002 JUNE 2002	2002 JULY 2002	2002 AUGUST 2002	2002 SEPTEMBER 2002	2002 OCTOBER 2002	2002 NOVEMBER 2002	2002 DECEMBER 2002	2003 JANUARY 2002	2003 FEBRUARY 2002	2003 MARCH 2002	2002 TOTALS
Month for Which Actual Costs Are Determined	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	
Schedule II																
Line # Summer Demand																
1 Actual Recoverable Costs -----	149,152	0	0	0	0	0	121,382	49,407	47,785	49,357	45,729	44,268	139,147	0	0	497,055
2 Actual Purchased Gas Recoveries -----	168,139	487	1,851	(1,670)	1,797	8,458	120,205	55,477	37,553	35,086	37,437	33,196	122,830	(4,807)	12,255	(457,825)
3 Under/(Over) Recovery -----	(18,987)	(487)	(1,851)	1,670	(1,797)	(8,458)	1,177	(6,070)	10,212	14,271	8,292	11,072	16,317	4,807	(12,255)	39,230
4 Amount of Factor A Included in Gas Charge Calculation Prior Period (Schedule I) --	4,700	2,333	885	(12,287)	1,846	(966)	(10,617)	49	(9,422)	(9,440)	(6,021)	790	4,831	(6,654)	11,862	11,862
5 Amount of Factor O Included in Gas Charge Calculation (Schedule I) -----	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Adjusted Under/(Over) Recovery -----	(12,287)	1,846	(966)	(10,617)	49	(9,422)	(9,440)	(6,021)	790	4,831	2,271	11,862	21,148	(3,847)	(403)	(403)
7 Supplier Refunds/Surcharges	0	0	0	0	0	0	0	0	0	0	(10,925)	0	0	0	0	(10,925)
7.1 Other Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Unamortized Balance of Adjustment Factor Including Interest (Previous Filing Month Schedule II) -----	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Adjustments Before Amortization --	(12,287)	1,846	(966)	(10,617)	49	(9,422)	(9,440)	(6,021)	790	4,831	(6,654)	11,862	21,148	(3,847)	(403)	16,898
10 Factor A Amount to Schedule I -----	(12,287)	1,846	(966)	(10,617)	49	(9,422)	(9,440)	(6,021)	790	4,831	(6,654)	11,862	21,148	(3,847)	(403)	16,898
11 Unamortized Balance of Factor A -----	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Unamortized Balance of Factor O -----	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Total Unamortized Balances -----	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Interest for 1 Month @ 2% Annual Rate --	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Total Unamortized Balances Including Interest -----	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Summer																
16 Number of Days in Amort Schedule -----	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Summer
17 Number of Days in Effective Month -----	31	28	31	30	31	30	31	31	30	31	30	31	31	30	31	
18 Line 9, Total Adj Before Amortization --	(12,287)	1,846	(966)	(10,617)	49	(9,422)	(9,440)	(6,021)	790	4,831	(6,654)	11,862	21,148	(3,847)	(403)	
19 Annual Interest Rate -----	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	1.50%	1.50%	1.50%	
20 Effective Month Principal -----	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21 Effective Month Interest -----	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22 Total to Line 10, Factor A -----	(12,287)	1,846	(966)	(10,617)	49	(9,422)	(9,440)	(6,021)	790	4,831	(6,654)	11,862	21,148	(3,847)	(403)	

ILLINOIS GAS COMPANY
ILL. C.C. DOCKET NO. 02-0720

STATEMENT 8

Commodity Gas Charge – (Company Version)

ANALYSIS OF SCHEDULE II COSTS/REVENUES FROM JANUARY 2002 – DECEMBER 2002

EFFECTIVE MONTH	2002 JANUARY 2001	2002 FEBRUARY 2001	2002 MARCH 2001	2002 APRIL 2002	2002 MAY 2002	2002 JUNE 2002	2002 JULY 2002	2002 AUGUST 2002	2002 SEPTEMBER 2002	2002 OCTOBER 2002	2002 NOVEMBER 2002	2002 DECEMBER 2002	2003 JANUARY 2002	2003 FEBRUARY 2002	2003 MARCH 2002	2002 TOTAL'S
Month for Which Actual Costs Are Determined	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	
Schedule II																
Line # Commodity																
1 Actual Recoverable Costs -----	225,413	473,778	666,279	752,901	651,580	657,439	288,679	192,010	106,901	121,407	80,606	108,086	345,628	685,427	970,946	4,961,610
2 Actual Purchased Gas Recoveries -----	97,941	324,532	672,777	863,858	745,901	682,338	287,875	172,938	156,154	121,420	88,212	95,972	269,228	648,952	1,112,292	(5,243,140)
3 Under/(Over) Recovery -----	127,472	149,246	(6,498)	(110,957)	(94,321)	(24,899)	804	19,072	(49,253)	(13)	(7,606)	12,114	76,400	38,475	(141,346)	(281,530)
4 Amount of Factor A Included in Gas Charge Calculation Prior Period (Schedule I) --	(48,524)	(63,021)	3,155	78,948	64,097	1,160	(32,009)	(30,224)	(23,739)	(31,205)	(11,152)	(24,183)	(40,847)	(68,869)	(12,069)	(12,069)
5 Amount of Factor O Included in Gas Charge Calculation Prior Period (Schedule I) --	0	(22,128)	0	0	0	0	0	0	0	0	0	0	0	26,988	0	26,988
6 Adjusted Under/(Over) Recovery -----	78,948	64,097	(3,343)	(32,009)	(30,224)	(23,739)	(31,205)	(11,152)	(72,992)	(31,218)	(18,758)	(12,069)	35,553	(3,406)	(151,886)	(151,886)
7 Supplier Refunds/Surcharges	0	0	0	0	0	0	0	0	0	0	(10,785)	0	0	0	0	(10,785)
7.1 Other Adjustments	0	0	4,503	0	0	0	0	0	0	0	0	0	0	0	1,529	1,529
8 Unamortized Balance of Adjustment Factor Including Interest (Previous Filing Month Schedule II) -----	0	0	0	0	0	0	0	0	0	(48,890)	(39,326)	0	0	0	0	0
9 Total Adjustments Before Amortization --	78,948	64,097	1,160	(32,009)	(30,224)	(23,739)	(31,205)	(11,152)	(72,992)	(80,108)	(68,869)	(12,069)	35,553	(3,406)	(151,886)	(119,739)
10 Factor A Amount to Schedule I -----	78,948	64,097	1,160	(32,009)	(30,224)	(23,739)	(31,205)	(11,152)	(24,183)	(40,847)	(68,869)	(12,069)	35,553	(3,406)	(151,886)	(119,739)
11 Unamortized Balance of Factor A -----	0	0	0	0	0	0	0	0	(48,809)	(39,261)	0	0	0	0	0	0
12 Unamortized Balance of Factor O -----	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Total Unamortized Balances -----	0	0	0	0	0	0	0	0	(48,809)	(39,261)	0	0	0	0	0	0
14 Interest for 1 Month @ 2% Annual Rate --	0	0	0	0	0	0	0	0	(81)	(65)	0	0	0	0	0	(146)
15 Total Unamortized Balances including Interest -----	0	0	0	0	0	0	0	0	(48,890)	(39,326)	0	0	0	0	0	0
Commodity																
16 Number of Days in Amort Schedule -----	0	0	0	0	0	0	0	0	91	61	0	0	0	0	0	0
17 Number of Days in Effective Month -----	31	28	31	30	31	30	31	31	30	31	30	31	31	30	31	31
18 Line 9, Total Adj Before Amortization --	78,948	64,097	1,160	(32,009)	(30,224)	(23,739)	(31,205)	(11,152)	(72,992)	(80,108)	(68,869)	(12,069)	35,553	(3,406)	(151,886)	
19 Annual Interest Rate -----	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	1.50%	1.50%	1.50%	
20 Effective Month Principal -----	0	0	0	0	0	0	0	0	(24,083)	(40,711)	0	0	0	0	0	0
21 Effective Month Interest -----	0	0	0	0	0	0	0	0	(120)	(136)	0	0	0	0	0	0
22 Total to Line 10, Factor A -----	78,948	64,097	1,160	(32,009)	(30,224)	(23,739)	(31,205)	(11,152)	(24,183)	(40,847)	(68,869)	(12,069)	35,553	(3,406)	(151,886)	

ILLINOIS GAS COMPANY

ILL. C.C. DOCKET NO. 02-0720

STATEMENT 9

SUMMARY OF PURCHASED GAS ADJUSTMENTS APPLICABLE TO DEMAND AND

FROM JANUARY 1, 2002 TO DECEMBER 31, 2002

<u>Effective Date</u>	<u>Winter/D PGA Rate</u>	<u>Summer/D PGA Rate</u>	<u>Commodity PGA Rate</u>	<u>Total PGA Rate</u>
January 1st	\$0.0655	(\$0.0008)	\$0.4112	\$0.4759
February 1st	0.1107	0.0010	0.4117	0.5234
March 1st	0.1701	0.0050	0.3978	0.5729
April 1st	0.0979	0.1460	0.3506	0.5945
May 1st	0.1766	0.1105	0.3359	0.6230
June 1st	0.0312	0.1085	0.4251	0.5648
July 1st	0.0378	0.1154	0.3554	0.5086
August 1st	(0.0001)	0.1288	0.3291	0.4578
September 1st	0.0173	0.0947	0.3001	0.4121
October 1st	(0.0080)	0.1443	0.3167	0.4530
November 1st	0.1428	(0.0031)	0.4128	0.5525
December 1st	0.0678	0.0058	0.5189	0.5925